

**Submission  
No 2**

## **INQUIRY INTO DEFENCE INDUSTRY IN NEW SOUTH WALES**

**Organisation:** Bisalloy Steels Pty Ltd

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Bisalloy Steels is Australia's only manufacturer of high-tensile and abrasion-resistant quenched and tempered steel plate used for armour, structural and wear-resistant steel applications; products which are marketed under the brand name BISALLOY®.

Bisalloy Steels has had a long and collaborative association with the ADF. For 25 years the Bisalloy story has been one of working in tandem with Australian steel producers, defence scientists, international organisations and manufactures of military ships and vehicles, to produce some of the best armour plate products in the world. The relationship between Bisalloy and the ADF includes Bisalloy being the key armour supplier for several projects including the Collins-class Submarine and the Bushmaster Protected Mobility Vehicle.

We feel that Bisalloy are not only the best placed supplier, but also the most suited, to supply the speciality high performance materials required for Australia's ongoing defence – both in terms of quality standards, product range, and technical support, as well as an understanding of the local requirements here in Australia.

Bisalloy has to conform to a myriad of Australian Standards, both in terms of business practices (including those required as an ASX listed company) and products, to ensure not only the highest quality standards are met, but that there is full traceability and responsibility in all respects. This is not the case with equivalent imported products. This is a key factor when working with other suppliers in the Australian defence industry supply chain.

The science, technology and manufacturing processes developed for the production of these low sulphur, micro alloyed high performance steels has flowed on to the production of all Bisalloy steel products, including for commercial purposes. Further, the requirement from various defence organisations has ensured Bisalloy's Quality Assurance system meets the requirements of ISO 9001, with stringent quality controls developed in order to qualify the performance of materials being used in commercial or military critical products.

In 2016 the company's defence business in armour plate accounted for 9.0 per cent of all steels produced, and the long term aim of Bisalloy is to grow this number significantly. The majority of this projected increase in output will be for the major upcoming projects in Australia, as well as export to key markets, especially the Middle East and Asia.

The strength and reliability of BISALLOY® Armour steel has long been selected to support Australia's defence forces and is an achievement which brings great pride to Bisalloy Steels – the SEA1000 Future Submarine project is an excellent opportunity for Bisalloy to demonstrate its capabilities to international manufacturers.

In order to support this program Bisalloy are already looking at possible further improvements to production facilities, and possible requirements of internal project support teams – details around these will be finalised when the design and mobilisation activities between Australia and DCNS are finishing.

Bisalloy Steels is confident that Australian steels are internationally competitive, both in terms of quality and value. They point at their success with exports that have been a direct result of involvement on Defence programs in the 1980's. Bisalloy Steels point to a case study included in ACIL Allen report on "Naval Shipbuilding and Through Life Support Economic Value to Australia" in December 2013 as proof of this assumption.

As a local company, Bisalloy has a team of Wollongong based technical support specialists (qualified to PhD level) for specialised training and R&D work etc. Further to this, Bisalloy are able to deploy these technical specialists to work closely with the University of Wollongong (and other tertiary institutes, including TAFE NSW) to work with and train students and interns, to develop new generations of talent in the industry, and to develop new grades of high performance steel.

From its Unanderra, Wollongong, based production facility, Bisalloy is in a position to design, develop and manufacture a wide range of high performance steels for Australia's armour plate needs, and Bisalloy will continue to engage and work collaboratively with the Australian government, ADF and other key stakeholders to contribute to these nationally significant projects.

Justin Suwart

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